

PROPOSED TAX CARD

Salaried Individuals

Where the income of an individual chargeable under the head "salary" exceeds fifty percent of his taxable income, the rates of tax to be applied shall be as set out in the following table namely: -

SN	TAXABLE INCOME	RATE OF TAX
1	Where the taxable income does not exceed Rs.300,000.	0%
2	Where the taxable income exceeds Rs.300,000 but does not exceed Rs.350,000.	0.75%
3	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000.	1.5%
4	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.450,000.	2.5%
5	Where the taxable income exceeds Rs. 450,000 but does not exceed Rs.550,000.	3.5%
6	Where the taxable income exceeds Rs. 550,000 but does not exceed Rs.650,000.	4.5%
7	Where the taxable income exceeds Rs. 650,000 but does not exceed Rs.750,000.	6.0%
8	Where the taxable income exceeds Rs. 750,000 but does not exceed Rs.900,000.	7.5%
9	Where the taxable income exceeds Rs. 900,000 but does not exceed Rs.1,050,000.	9.0%
10	Where the taxable income exceeds Rs. 1,050,000 but does not exceed Rs.1,200,000.	10.0%
11	Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs.1,450,000.	11.0%
12	Where the taxable income exceeds Rs. 1,450,000 but does not exceed Rs.1,700,000.	12.5%
13	Where the taxable income exceeds Rs. 1,700,000 but does not exceed Rs.1,950,000.	14.0%
14	Where the taxable income exceeds Rs. 1,950,000 but does not exceed Rs.2,250,000.	15.0%
15	Where the taxable income exceeds Rs. 2,250,000 but does not exceed Rs.2,850,000.	16.0%
16	Where the taxable income exceeds Rs. 2,850,000 but does not exceed Rs.3,550,000.	17.5%
17	Where the taxable income exceeds Rs. 3,550,000 but does not exceed Rs.4,550,000.	18.5%
18	Where the taxable income exceeds Rs. 4,550,000.	20.0%

Note: The above mentioned rates shall be applicable to both male and female tax payers without any distinction.

MARGINAL RELIEF

Through Finance Act 2008 a new provision for marginal relief in the tax rates was introduced to remove anomaly in the tax rates. The marginal relief is available on amount in excess of maximum limit of the preceding slab relative to slab in which the taxable income fall. The marginal amount will be taxed at the following rates:

SN	TAXABLE INCOME	PERCENTAGE OF INCREMENTAL INCOME TAXABLE AT NEXT APPLICABLE TAX RATE
1	Where the taxable income does not exceed Rs.550,000.	20.0%
2	Where the taxable income exceeds Rs. 550,000 but does not exceed Rs.1,050,000.	30.0%
3	Where the taxable income exceeds Rs. 1,050,000 but does not exceed Rs.2,250,000.	40.0%
4	Where the taxable income exceeds Rs. 2,250,000 but does not exceed Rs.4,550,000.	50.0%
5	Where the taxable income exceeds Rs. 4,550,000.	60.0%

When the relief worked out through this provision ceases to exist then it would not be applicable and tax shall be computed normally without marginal relief.